

**Working Draft. Please do not cite or quote without permission**

*Abstract*



#

---

1

2

3

4

5

%

---

6

7

8

9

%

10

%

11

---

12

13

14

15

16

17

18

---

19

20

21

22

23

%  
%

"

\$

\$

---

24  
25  
26  
27  
28  
29  
30  
31  
32

\$

\$

---

%

34

35

36

37

38

\$

---

39

42

43

Ghana, Nigeria and Sudan are the biggest recipients of Chinese aid  
which goes primarily to

#

44



*international development organizations composed of highly corrupted donor states are as likely to adopt—but less likely to enforce—anti-corruption standards as are organizations composed of more honest donors.*

*Dependent Variable*

*Aid Receipts (log),*

*Main Explanatory Variables*

*Recipient's Corruption*

---

48

<http://aiddata.org/datasets>

49

50

*Average IDO Corruption*

*Avg IDO Corruption*

*Avg IDO Corruption*

*Avg IDO Corruption*

*Recipient Corruption*

*Control Variables*

*Per Capita GDP.*

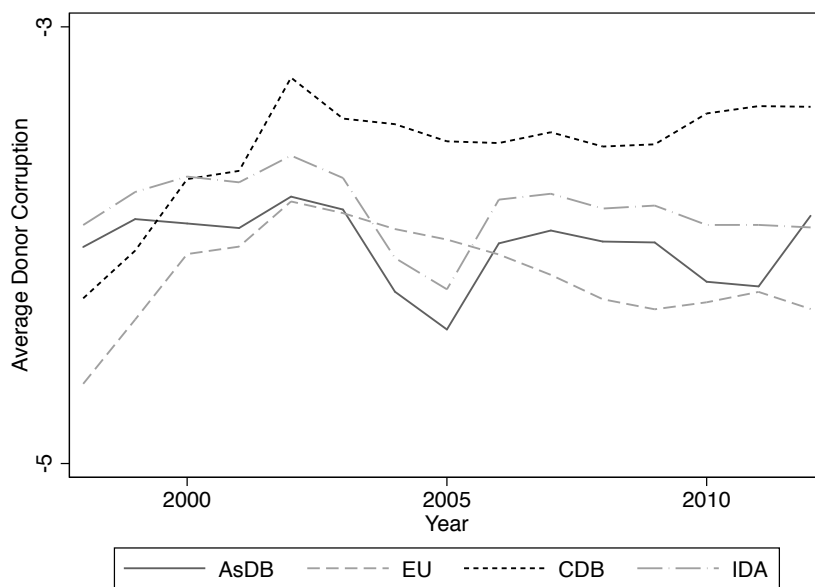
---

*Distance* *Colony*

*Trade/GDP)* *Average*

*Democracy* *Population*

*Civil Conflict* *IMF Investment*



*Figure 1: Average Donor Corruption in Selected IDOs, 1998-2013*

*Model Estimation*

bles that also determine the size of aid allocations. However, the value of a selection model crucially depends on the existence of a valid exclusion restriction, which is impossible to find in the case of aid allocations (Berthélemy et al. 2009). Moreover Berthélemy (2006)

\$

*Average IDO Corruption*

	<i>Recipient Corruption</i>	<i>IDO Aid Receipts</i> %
<i>Avg IDO Corruption</i>	<i>Avg IDO Corruption</i>	<i>Recipient Corruption</i>
	<i>Avg IDO Corruption</i>	

---

<sup>57</sup> Berthélemy (2006). See also Bermeo an

58

59

<https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

60

<http://mattgolder.com/interactions#articles>

*Table 1: Average Donor Corruption and IDO Aid Receipts, 1998-2013*

---

---

%

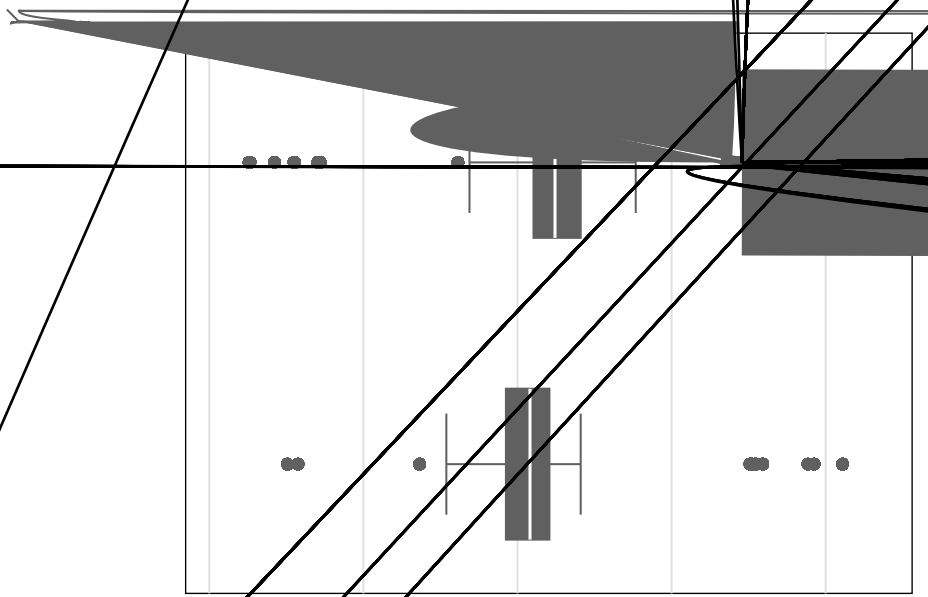
---

---

<i>Recipient Corruption</i>	<i>Avg IDO Corruption</i>	<i>Avg IDO</i>
<i>Corruption</i>	<i>IDO Aid Receipts (log)</i>	
%	<i>decreases</i>	
	<i>Avg Donor Corruption</i>	
	<i>Avg IDO Corruption</i>	
	%	

*Figure 2: Marginal Effect of Recipient Corruption on IDO Aid Receipts for Different Levels of Avg IDO Corruption, 1998-2013*

*Can Mandates Make a Difference?*



*Figure 3: Box Plots of Avg IDO Corruption, 1998-2013*



*Recipient Corruption Avg IDO Corruption  
Mandate*

*Avg Donor Corruption*  
%

%

%

%

---

64

*Avg IDO Corruption*

65

66

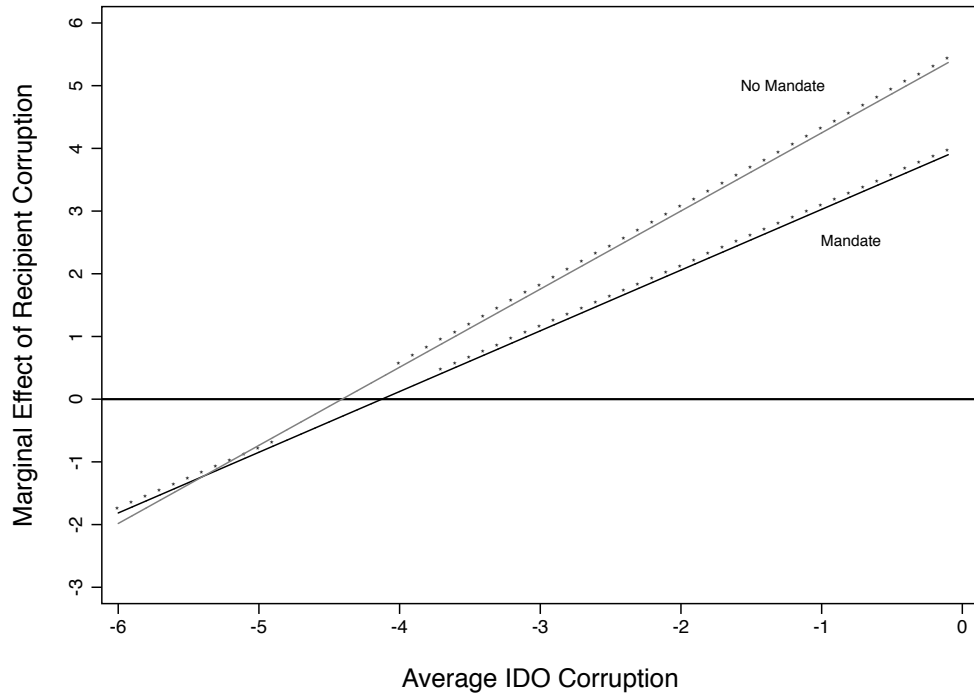


Figure 4: Marginal Effects in IDOs without and with Mandates, 199 -201

*Robustness Checks*

*Perceptions Index*

*Corruption*

*Avg IDO Corruption*

*Average IDO Good Governance*

*Infant*

*Mortality (log)*

*US Military Aid (log)*

*Political Rights and Civil Liberties*

*Democracy*

*Colony*

*Trade      Distance*

---

70

71

*US Military Aid*



---

75

76

77



ABC News. 2014. Asian Development Bank bans 31 companies for fraud, corruption. 14 March: <http://www.abc.net.au/news/2014-03-14/an-adb-corruption/5321624>

*Journal of Economic Growth*

*Journal of Development Studies*

---

---

[https://ncgg-new.princeton.edu/sites/ncgg/files/media/bauhr\\_public\\_opinion\\_and\\_foreign\\_aid.pdf](https://ncgg-new.princeton.edu/sites/ncgg/files/media/bauhr_public_opinion_and_foreign_aid.pdf)

Bauhr, M., Nasiritousi, N., and Charron, N., 2013. Does Corruption Cause Aid Fatigue? Public opinion and the aid corruption paradox. *International Studies Quarterly*, 57(3), 568-579.

\$

*Journal of Politics*

*Political Analysis*

*American Journal of Political Science*

*International Organization*

*Economic Review*

*The American*

*Review of International*

*Organization*

---

*Oxford Economic Papers*

*International Studies Quarterly*

*Journal of Politics*

---

*Journal of Development Economics*

*European Economic Review*

---

*World Development*

*The Effects of*

*Multilateral vs Bilateral Aid*

% % %

%

%

%

%

*Review of Development Economics*



The Guardian. 2014. UK and international donors suspend Tanzania aid after corruption claims. 13 October: <https://www.theguardian.com/global-development/2014/oct/13/uk-and-international-donors-suspend-tanzania-aid-after-corruption-claims>

<http://www.tampabay.com/news/business/politifact-paul-exaggerates-degree-of-foreign-aid-theft/2310252>  
Greenhill, Brian. 2015. *Transmitting Rights: International Organizations and the Diffusion of Human Rights Practices*. New York: Oxford University Press.

*Overseas Development Institute*

*Politics*

*Journal of*

---

*Political Science Review*

*American*

*Southern Economic Journal*

*Journal of Comparative Economics*

---

*Journal.*

*Harvard Internatinoal Law*

*Delegation and Agency in International Organizations*

*International Organization*

*The Review of International Organizations*

*International Studies Quarterly*

*Social Science Quarterly*

<http://www.npr.org/sections/goatsandsoda/2017/08/04/539285319/is-corruption-really-a-big-problem-in-foreign-aid>

---

---

				%	%	%		%
	%							
	%	%	%		%	%		
%								

---

*International Organization*

---

Reuters. 2012. EU joins national donors in freezing aid to Uganda over graft. December 4: <http://www.reuters.com/article/us-uganda-aid/eu-joins-national-donors-in-freezing-aid-to-uganda-over-graft-idUSBRE8B30DA20121204>

*NBER Working Paper #5160:*

2017 Corruption Perceptions Index.

last accessed: November 2017.

---

*Review of International Organization*

*World Politics*

*World Development*

*European Union Politics*